

Home Buying 101

I have picked up and started reading a book called Home Buying 101, by Jon Gorey. I have learned a couple facts including what home equity is and that each state offers an agency called state housing finance agencies. In this report I am going to provide an in depth insight on home equity and state housing finance agencies, which could be helpful for applicants who have a low income or thin credit file, than going through the application process of a traditional mortgage application. I am going to focus on my own state housing finance agency in New York and then look towards states that have a majority of residents that are considered low income.

Home Equity

According to chapter 1 in Home Buying 101, home equity is the difference between your home's value and what you owe, for example if your house is valued at \$400,000 minus the mortgage balance of \$140,000, your home equity is \$260,000. I have found some further information from a Google search from Unison.com, on how to obtain home equity with adding on additional debt, such as a mortgage.

Home Sale Leaseback

A home sale leaseback is a real estate transaction where a homeowner sells their property to an investor or a company and becomes a tenant, paying rent to continue living in the same property.

This arrangement can be useful for homeowners who need to access the equity in their home but wish to continue living in the same place. However, the homeowner loses ownership and all of

its advantages, such as building equity over time. They will also not have control over the same aspects that they previously did, and potentially even face rent increases if there is a fixed term that expires.

According to a Google Books search, I have come across the following book, Home Selling 101

A Handbook and Guide While Selling Your Home!

By [Revathi Raja Kumar](#), [Saravana Gupta Ravindran](#)

I have looked further into World-Cat, and couldn't really find any libraries that have it, I checked libraries near Larchmont, New York and libraries near my city of New Rochelle, New York, which isn't in that much of a radius.

State Housing Finance Agencies

I am going to base this section of this report of state housing finance agencies, towards the state of Mississippi (based off a Google search, Low income residents states in the US) and my state of New York.

Mississippi Housing Finance Agency

According to the Mississippi Home Corporation website, it provides the following home buyers resources.

Smart6

30-year fixed rate mortgage with \$6,000 second mortgage at 0% interest with principal due upon property sale, loan repayment or loan maturity. Credit Score requirements are based on participating lender guidelines.

[Easy8](#)

30-year fixed rate mortgage with a \$8,000 with 0% interest. Credit Score requirements based on participating lender guidelines.

[Trusty10](#)

30-year fixed rate mortgage with a \$10,000 down payment as a second mortgage. Credit Score requirements based on participating lender guidelines.

[DPA 14](#)

MHC in conjunction with the Board of Supervisors from Coahoma, Tunica, and Washington counties are able to assist borrowers with homeownership by offering a competitive mortgage rate through the proceeds of the sale of Mortgage Revenue Bonds.

I have found this article part from Investopedia, regarding mortgage revenue bonds. It states the following, **What Is a Mortgage Revenue Bond (MRB)?**

A mortgage revenue bond (MRB) is a type of [municipal bond](#) that is issued by local housing authorities to finance [mortgages](#) for qualified, usually people whose self-reported incomes were in the lowest income bracket, first-time homebuyers.

I have also tried looking into the state of Mississippi freedom of information law to see if I am able to submit a FOIL request to them for information or questions that are too complex to list on their website, but couldn't find anything as well.

New York Housing Finance Agency

Upon checking New York Housing Finance Agency, or hcr.ny.gov offers a low interest mortgage loan (SONYMA), and other down payment assistance. Some of the programs include.

Achieving the Dream

Our lowest interest rate program, achieving the Dream is designed to maximize the amount you can afford with minimal down payment required.

Achieving the Dream Features and Benefits

- 30-year fixed rate mortgage
- No points
- Down payment requirement as low as 3% (and 3% down payment assistance available)
- Minimum cash contribution of 1% (3% for co-ops)
- Available for 1-4 family homes, cooperatives and condominiums
- No prepayment penalties
- 120-day interest rate locks for existing housing
- 240-day interest rate locks for properties under construction or rehabilitation, cooperatives or distressed sales
- Can be combined with other SONYMA special features
- Other grants and subsidies can be included with no limit

Conventional Plus

SONYMA's Conventional Plus Program is a mortgage program that combines 30-year fixed rate mortgages with SONYMA down payment assistance for both first-time homebuyers and previous homeowners. The program may be used for the **purchase of a primary home**. The down payment assistance may also be used to pay closing costs (including an upfront single mortgage insurance premium, if necessary, and thus eliminating the monthly mortgage insurance premium payment). With all these combined features including flexible underwriting guidelines, Conventional Plus offers a lower monthly payment than most mortgages.

- [Features and Requirements](#)

Income Limits apply. Income must be < 80% of Area Median Income.

You must run the property address through the [FNMA HomeReady Eligibility Tool](#) to determine the income limit.

I have researched NY states open foil website and found they did have a FOIL contact listed here. <https://hcr.ny.gov/foil>

In Conclusion I would like to consider exploring some of the resources on home equity and keep an open mind in exploring, the DPA 14 loan in the state of Mississippi, and exploring other state's housing finance agencies.

